APPENDIX STATUTES

I. Philippine Organic Act, "Jones Law".

II. Philippine Statutes.

III. Accounting Officers of the Treasury.

APPENDIX—STATUTES

I.

PHILIPPINE ORGANIC ACT, "JONES LAW," 39 STAT. 545, ET SEQ.

Sec. 5. That the statutory laws of the United States hereafter enacted shall not apply to the Philippine Islands, except when they specifically so provide, or it is so provided in this Act.
39 Stat. 547.

Sec. 6. That the laws now in force in the Philippines shall continue in force and effect, except as altered, amended, or modified herein, until altered, amended, or repealed by the legislative authority herein provided or by Act of Congress of the United States.
39 Stat. 547.

Sec. 7 (first paragraph). That the legislative authority herein provided shall have power, when not inconsistent with this Act, by due enactment to amend, alter, modify, or repeal any law, civil or criminal, continued in force by this Act as it may from time to time see fit.
39 Stat. 547.

Sec. 8. That general legislative power, except as otherwise herein provided, is hereby granted to the Philippine Legislature, authorized by this Act.
39 Stat. 547.

Sec. 12. That general legislative powers in the Philippines, except as herein otherwise provided, shall be vested in a legislature which shall consist of two houses, one the senate and the other the house of representatives, and the two houses shall be designated "The Philippine Legislature": *Provided*, That until the Philippine Legislature as herein provided shall have been organized the existing Philippine Legislature shall have all legislative authority herein granted to the government of the Philippine Islands, except such as may now be within the exclusive jurisdiction of the Philippine Commission, which is so continued until the organization of the legislature herein provided for the Philippines. When the Philippine Legislature shall have been

organized, the exclusive legislative jurisdiction and authority exercised by the Philippine Commission shall thereafter be exercised by the Philippine Legislature.
39 Stat. 548-549.

Sec. 19 (first sentence of second paragraph). All laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves the power and authority to annul the same.
39 Stat. 551.

Sec. 21. That the supreme executive power shall be vested in an executive officer, whose official title shall be "The Governor General of the Philippine Islands." He shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and hold his office at the pleasure of the President and until his successor is chosen and qualified. The Governor General shall reside in the Philippine Islands during his official incumbency, and maintain his office at the seat of government. He shall, unless otherwise herein provided, appoint, by and with the consent of the Philippine Senate, such officers as may now be appointed by the Governor General, or such as he is authorized by this Act to appoint, or whom he may hereafter be authorized by law to appoint; but appointments made while the senate is not in session shall be effective either until disapproval or until the next adjournment of the senate. He shall have general supervision and control of all the departments and bureaus of the government in the Philippine Islands as far as is not inconsistent with the provisions of this Act, and shall be commander in chief of all locally created armed forces and militia. He is hereby vested with the exclusive power to grant pardons and reprieves and remit fines and forfeitures, and may veto any legislation enacted as herein provided. He shall submit within ten days of the opening of each regular session of the Philippine Legislature a budget of receipts and expenditures, which shall be the basis of the annual appropriation bill. He shall commission all officers that he may be authorized to appoint. He shall be responsible for the faithful execution of the laws of the Philippine Islands and of the United States operative within the Philippine Islands, and whenever it becomes necessary he may call upon the commanders of the military and naval forces of the United States in the islands, or summon the posse com itatus, or call out the militia or other locally created armed

forces, to prevent or suppress lawless violence, invasion, insurrection, or rebellion; and he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privileges of the writ of habeas corpus, or place the islands, or any part thereof, under martial law: *Provided,* That whenever the Governor General shall exercise this authority, he shall at once notify the President of the United States thereof, together with the attending facts and circumstances, and the President shall have power to modify or vacate the action of the Governor General. He shall annually and at such other times as he may be required make such official report of the transactions of the government of the Philippine Islands to an executive department of the United States to be designated by the President, and his said annual report shall be transmitted to the Congress of the United States; and he shall perform such additional duties and functions as may in pursuance of law be delegated or assigned to him by the President.

39 Stat. 552-553.

Sec. 24. That there shall be appointed by the President an auditor, who shall examine, audit, and settle all accounts pertaining to the revenues and receipts from whatever source of the Philippine government and of the provincial and municipal governments of the Philippines, including trust funds and funds derived from bond issues; and audit, in accordance with law and administrative regulations, all expenditures of funds or property pertaining to or held in trust by the government or the Provinces or municipalities thereof. He shall perform a like duty with respect to all government branches.

He shall keep the general accounts of the government and preserve the vouchers pertaining thereto.

It shall be the duty of the auditor to bring to the attention of the proper administrative officer expenditures of funds or property which, in his opinion, are irregular, unnecessary, excessive, or extravagant.

There shall be a deputy auditor appointed in the same manner as the auditor. The deputy auditor shall sign such official papers as the auditor may designate and perform such other duties as the auditor may prescribe, and in case of the death, resignation, sickness, or other absence of the auditor from his office, from any cause, the deputy auditor shall have charge of such office. In case of the absence from duty, from any cause, of both the auditor and the

deputy auditor, the Governor General may designate an assistant, who shall have charge of the office.

The administrative jurisdiction of the auditor over accounts, whether of funds or property, and all vouchers and records pertaining thereto, shall be exclusive. With the approval of the Governor General he shall from time to time make and promulgate general or special rules and regulations not inconsistent with law covering the method of accounting for public funds and property, and funds and property held in trust by the government or any of its branches: *Provided,* That any officer accountable for public funds or property may require such additional reports or returns fom his subodinates or others as he may deem necessay for his own information and protection.

The decisions of the auditor shall be final and conclusive upon the executive branches of the government, except that appeal therefrom may be taken by the party aggrieved or the head of the department concerned within one year, in the manner hereinafter prescribed. The auditor shall except as hereinafter provided, have like authority as that conferred by law upon the several auditors of the United States and the Comptroller of the United States Treasury and is authorized to communicate directly with any person having claims before him for settlement, or with any department, officer, or person having official relations with his office.

As soon after the close of each fiscal year as the accounts of said year may be examined and adjusted the auditor shall submit to the Governor General and the Secretary of War an annual report of the fiscal concerns of the government, showing the receipts and disbursements of the various departments and bureaus of the government and of the various provinces and municipalities, and make such other reports as may be required of him by the Governor General or the Secretary of War.

In the execution of their duties the auditor and the deputy auditor are authorized to summon witnesses, administer oaths, and to take evidence, and, in the pursuance of these provisions, may issue subpoenas and enforce the attendance of witnesses, as now provided by law.

The office of the auditor shall be under the general supervision of the Governor General and shall consist of the auditor and deputy auditor and such necessary assistants as may be prescribed by law.

39 Stat. 553-554.

Sec. 25. That any person aggrieved by the action or decision of the auditor in the settlement of his account or claim may, within one year, take an appeal in writing to the Governor General, which appeal shall specifically set forth the particular action of the auditor to which exception is taken, with the reason and authorities relied on for reversing such decision.

If the Governor General shall confirm the action of the auditor, he shall so indorse the appeal and transmit it to the auditor, and the action shall thereupon be final and conclusive. Should the Governor General fail to sustain the action of the auditor, he shall forthwith transmit his grounds for disapproval to the Secretary of War, together with the appeal and the papers necessary to a proper understanding of the matter. The decision of the Secretary of War in such case shall be final and conclusive.

39 Stat. 554-555.

II.

PHILIPPINE ADMINISTRATIVE CODE, ACT NO. 2711

A—POWERS AND DUTIES OF THE AUDITOR

Sec. 582. *Chief officials of Bureau of Audits.*—The Bureau of Audits shall have one chief and one deputy chief appointed by the President. These officers shall be respectively the Auditor for the Philippine Islands and the Deputy Auditor for the Philippine Islands. For brevity they may be designated as the Auditor and the Deputy Auditor, respectively, when the full title of the office otherwise appears in the document or paper requiring signature; and for the purpose of discrimination the term Insular Auditor may be used.

Sec. 588. *Authority of auditor in adjustment of accounts between offices.*—The Insular Auditor shall have the power, subject to such regulations as may be prescribed therefor, to authorize and enforce the settlement of accounts subsisting between the different Bureaus or Offices of the Insular service; between any such Bureau or Office and any provincial, municipal, or city government; between provincial governments; between municipal or city governments; and between any such provincial and municipal or city governments (*As amended by Act 3066*).

Sec. 593. *Auditing districts; assignment and compensation of district auditors.*—The provinces of the Philippine Islands, the chartered cities and the Metropolitan Water

District, which shall be regarded as provinces, are hereby divided into twenty-two regular and one special auditing districts and the Insular Auditor is hereby authorized to appoint a district auditor to each of the regular auditing districts and one district auditor at large to the special auditing district. Said districts are hereby numbered, constituted, and established as follows:

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Seventh.—City of Manila and Metropolitan Water District.

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The seventh auditing district shall be under the direct supervision of the central office of the Bureau of Audits. Each division shall be under one supervising district auditor, who shall be paid an annual salary of five thousand pesos and shall inspect and supervise the work of the several district auditors of his division. The supervising district auditor shall have the same power and authority as the district auditors in all matters coming before the latter for examination and settlement or decision in accordance with law.

The annual salary of the district auditor permanently assigned to the seventh auditing district shall be * * *. (*As amended by Act 3066*).

Sec. 621. *Countersigning of warrants by Auditor.*—No Insular warrant shall be paid by the Treasurer until countersigned by the Auditor or by an officer of the Bureau of Audits thereunto authorized in writing by him.

B.—CITY OF MANILA

Sec. 2428. *Corporate character of City of Manila.*—The City of Manila constitutes a political body corporate and as such is endowed with the attribute of perpetual succession and possessed of the powers which pertain to a municipal corporation, to be exercised in conformity with the provisions of this charter.

Sec. 2429. *Seal and general powers of city.*—The city may have a common seal, and alter the same at pleasure, and may take, purchase, receive, hold, lease, convey and dispose of real and personal property for the general interests of the city, condemn private property for public use, contract and be contracted with, sue and be sued, and prosecute and defend to final judgment and execution, and exercise all the powers hereinafter conferred.

Sec. 2434. *The mayor; his appointment and compensation.*—The mayor shall be the chief executive of the city, and as such, shall have immediate control over the executive functions of the different departments, **subject to the authority and supervision of the Secretary of the Interior. The mayor shall be appointed by the Governor-General with the consent of the Senate,** shall hold office for three years **unless sooner removed,** and shall receive a salary of ten thousand pesos a year.

With the approval of the Secretary of the Interior first had, the Municipal Board may, in its discretion, provide quarters for the mayor or commute the same, in addition to his salary (*As amended by Act 2774*).

Sec. 2436 (first sentence). *Execution of authorized public works and improvements.*— **Unless the Secretary of the Interior shall otherwise direct,** all public works of construction, repair, and improvement of the city shall be carried on by administration, under the direction of the mayor. (*As amended by Act 2774*).

Sec. 2439. *Constitution and organization of Municipal Board.*—The Municipal Board shall be the legislative body of the city, and shall consist of ten elective members who shall hold office for three years. The members of the Board shall elect each year from among their number a president, who for one year shall preside at all meetings of the Board at which he is present. In his absence, the Board shall elect one of its members as temporary presiding officer. The president shall sign all ordinances, and all resolutions and motions directing the payment of money or creating liability, enacted or adopted by the Board. **In case of sickness or absence of any member of the Board, or if for any reason it becomes necessary to maintain a quorum, the Governor-General may make a temporary appointment until the return to duty of the sick or absent member.** During the period of such temporary appointment the person receiving the same shall possess all the rights and perform all the duties of a member of the Board.

The president of the Board shall receive a per diem of forty pesos and the other members shall receive a per diem of twenty-five pesos for each day of attendance on a session of the Board (*As amended by Act 2774*).

Sec. 2440 (first sentence and last two sentences). *Qualifications, election, suspension and removal of members of Board.* The members of the Municipal Board shall be elected at large from the entire city, and each of them at the time of his election shall be a resident for at least one

year, and a qualified elector, of his Assembly district, and not less than twenty-three years of age. * * * If any person so elected is ineligible to hold office, or if for any reason there should be a failure to elect one or more members, no special election shall be called, **but the vacancy shall be filled for the term by the Governor-General with the consent of the Philippine Senate.** Vacancies in the office of member occurring after taking office shall be filled for the unexpired term in like manner.

Sec. 2442. *Appropriations by Board—Contributions from Insular Government.*—The Board shall make all appropriations for the expenses of the government of the city. Whenever the Board fails to pass an appropriation ordinance for any year before the end of the previous year, the appropriation ordinance for such previous year shall be deemed reenacted, and shall go into effect on the first day of January of the new year as the appropriation ordinance for that year, and such appropriation ordinance shall be deemed reenacted from year to year, and shall be renewed and go into effect on the first day of January of each year, as the appropriation ordinance for that year, until a new appropriation ordinance is duly enacted. In consideration of the privileges and exemptions enjoyed by the Insular Government within the city, and the burden imposed upon the city by reason of the location therein of the capital of the Islands, **there is hereby created a permanent continuing appropriation during the time said city remains the capital of the Islands, from any funds in the Insular Treasury not otherwise appropriated, equal to thirty per centum of the expenses of the government of the city** exclusive of those amounts which appear as expenses by reason of interdepartmental charges and charges against the Insular Government for land transportation and other analogous services and supplies; but the total contribution from Insular funds to the government of the city under this appropriation shall not in any one year exceed the amount of the proceeds of the real-estate tax collected by the said city during the next preceding year, nor shall such total contribution in any one year exceed the sum of one million pesos. **The Insular Auditor shall ascertain from time to time the amount herein appropriated, and transfer to the City of Manila, out of any funds in the Insular Treasury not otherwise appropriated, the amount so ascertained.**

Sec. 2443. *Method of transacting business by Board—Veto, authentication and publication of ordinances.*—**Unless the Secretary of the Interior orders otherwise, the**

Board shall hold two ordinary sessions for the transaction of business duing each week on days which it shall fix by resolution, and such extraordinary sessions, not exceeding thirty during any one year, as may be called by the mayor. It shall sit with open doors unless otherwise ordered by an affirmative vote of seven members. It shall keep a record of its proceedings and determine its rules of procedure not herein set forth. Six members of the Board shall constitute a quorum for the transaction of business, and six affirmative votes shall be necessary for the passage of any ordinance, resolution or motion. The ayes and noes shall be taken and recorded upon the passage of all ordinances, upon all resolutions or motions directing the payment of money or creating liability, and, at the request of any member, upon any other resolution or motion. Each proposed ordinance shall be published in two daily newspapers of general circulation in the city, one printed in English and the other in Spanish, and shall not be discussed or enacted by the Board until after the third day following such publication. Each ordinance enacted by the Board, and each resolution or motion directing the payment of money or creating liability, shall be forwarded to the mayor for his approval. Within ten days after the receipt of the ordinance, resolution or motion, the mayor shall return it with his approval or veto. If he does not return it within that time, it shall be deemed to be approved. If he returns it with his veto, his reasons therefor in writing shall accompany it. It may then be again enacted by the affirmative votes of seven members of the Board, and again forwarded to the mayor for his approval, and if within ten days after its receipt he does not again return it with his veto, it shall be deemed to be approved. If within said time he again returns it with his veto, **it shall be forwarded forthwith to the Governor-General for his approval or disapproval, which shall be final.** The mayor shall have the power to veto any particular item or items of an appropriation ordinance, or of any ordinance, resolution or motion directing the payment of money or creating liability, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner heretofore provided in this section as to ordinances, resolutions and motions returned to the Board with his veto. Each approved ordinance shall be sealed with the city seal, signed by the president of the Board and the secretary, and recorded in a book kept for that purpose; shall be published in two daily newspapers of general cir-

culation in the city, one printed in English and the other in Spanish, within ten days after its approval; and shall take effect and be in force on and after the twentieth day following its publication, if no date is fixed in the ordinance.

Sec. 2847. *Appointment and removal of officials and employees.*—**With the consent of the Philippine Senate, the Governor-General shall appoint the fiscal of the city and his assistants, the judge and the clerk of the municipal court and, in case of a temporary vacancy on such court, an acting judge therefor, the justice and auxiliary justice of the peace, the city engineer and his assistant, the chief of police and his assistant, the chief of the fire department, the city treasurer, the city assessor, and the city superintendent of schools.** Subject to the provisions of the Civil Service Law, the mayor shall appoint all other officers and employees of the city whose appointment is not otherwise provided for by law. The mayor may suspend, and remove, any appointive city officer or employee not appointed by the Governor-General, **and may recommend to the Governor-General the suspension or removal of any city officer or employee appointed by him. Any such suspension or removal by the mayor shall be appealable to the Department Head, whose determination in the matter shall be final.** (*As amended by Act 2081*).

Sec. 2850. *The Bureau of Audits.*—**The Insular Auditor** shall receive and audit all accounts of the city, in accordance with the provisions of law relating to Government accounts and accounting.

Sec. 2851. *The Bureau of the Treasury.*—**The Insular Treasurer** shall receive and safely keep all moneys arising from the revenues of the city, and shall expend the same upon warrants drawn in accordance with the provisions of law.

Sec. 2854 (first sentence). *The Bureau of Education.*—**The Director of Education shall exercise the same jurisdiction and powers in the city as elsewhere in the Islands**, and the city superintendent of schools shall have all the powers and duties in respect to the schools of the city as are vested in division superintendents in respect to the schools of their divisions.

Sec. 2856. *The Philippine Health Service.*—**The Director of Health** shall have general supervision and control of health and sanitary matters and inspection in the city, and the Philippine Health Service shall serve as the local board of health.

Sec. 2457. *The Bureau of Prisons.*—**The Director of Prisons** shall set apart a suitable portion of Bilibid Prison for city prisoners, and shall receive for confinement and detention all persons who have been sentenced to imprisonment by the municipal court of the city. The expense of maintaining such portion of the prison shall be paid out of city funds.

Sec. 2465 (first sentence). *The fiscal of the city—His assistants—His duties.*—The law department shall consist of the fiscal of the city and of seven assistants, who shall discharge their duties **under the general supervision of the Attorney-General.**

Sec. 2480 ("(a)", "(c)", "(g)" and "(h)"). *Powers and duties of the city treasurer.*—

(a) There shall be a city treasurer, who shall have charge of the department of finance and shall act as chief fiscal officer and financial adviser of the city and custodian of its funds.

(c) Unless otherwise specifically provided by law or regulations, he shall perform in and for the city the duties imposed by law or regulation upon **provincial treasurers generally**, as well as the other duties imposed upon him by the preceding sections of this chapter.

(g) He shall be accountable for all funds and property of the city and shall render such accounts in connection therewith **as may be prescribed by the Insular Auditor.**

(h) He shall deposit daily all municipal funds and collections **in the Insular Treasury or in a Government depositary.** (*As amended by Acts 2043 and 3169*).

C—INTERNAL-REVENUE ALLOTMENT LAW

ARTICLE II.—*Disposition and allotment of internal revenue in general*

Sec. 490. *Disposition of internal revenue in general.*—Internal revenue collected under the laws of the Philippine Islands and not applied as hereinabove provided or otherwise specially disposed of by law shall accrue to the Insular Treasury and shall be available for the general purposes of the Government, with the exception of the amounts set apart by way of allotment under the next succeeding section.

Sec. 491. *Allotments of internal revenue for special purposes.*—Of the internal revenue accruing to the Insular Treasury under the preceding section there shall be set apart ten per centum as a provincial allotment, ten per

centum as a road and bridge allotment, and twenty per centum as a municipal allotment; but the amounts allotted to said several purposes during any year shall not be greater than the amount allotted for the same purposes during the fiscal year nineteen hundred and nine.

Sec. 492. *Apportionment and use of provincial allotment.*—The provincial allotment shall be apportioned to the treasuries of the several respective provinces and shall there accrue to their general funds, respectively.

Sec. 494. *Apportionment and use of municipal allotment.*—The municipal allotment shall be for the benefit of the inhabitants of the Islands in the purview of their community requirements, being available for municipal or other use as hereinbelow provided.

In regularly organized provinces containing non-Christian inhabitants so much of the municipal allotment available for a particular province as pertains to its non-Christian inhabitants shall accrue to its non-Christian inhabitants' fund.

In specially organized provinces so much of the municipal allotment available for a particular province as does not pertain to municipalities or chartered cities shall accrue to the township and settlement fund of such province.

Such part of the municipal allotment as is not applied as hereinabove provided shall be distributed among the various municipalities and except as regards the City of Baguio **shall accrue in equal proportions to their general funds and school funds.** The share of the City of Baguio shall accrue wholly to its general fund.

Article III.—*Miscellaneous Provisions*

Sec. 495. *Status of cities, townships, and other local governmental divisions.*—For purposes of the allotment of internal revenue, a chartered city, township, or other local governmental division not constituting a part of a municipality proper shall have the status of a municipality and shall be deemed to be included under the term "municipality" as used in this chapter.

The City of Manila shall receive the shares which it would receive if it were both a municipality and a regularly organized province, and for the purposes hereof shall be deemed to be both the one and the other.

Sec. 496. *Apportionment to be based upon census population.*—Apportionments of internal revenue under the pro-

visions of this chapter shall be based on population as shown by the official census; but until a new census is taken or population otherwise determined according to law the proportionate share of the Mountain Province and Nueva Vizcaya and of the hill people in the Province of Samar shall be taken to be the same as in the apportionment of nineteen hundred and sixteen.

Provided, however, that in determining the amount of internal-revenue funds to be alloted to the provinces comprised within the Department of Mindanao and Sulu, the Auditor shall take into account the total approximate population of said provinces as certified to him by the Secretary of the Interior.

Sec. 497. *Warrants for quarterly payment of allotments.*—The payment of the internal-revenue allotments shall be made from the Insular Treasury quarterly, upon warrants drawn by the Collector of Internal Revenue.

D—METROPOLITAN WATER DISTRICT

No. 2832.—*An Act creating a public corporation denominated the Metropolitan Water District, prescribing its functions and activities, and for other purposes.*

Section 1. *Creation of the Metropolitan Water District; department of the Government to which it shall belong; its general purposes; zone comprised by it; domicile and place of business of the corporation.*—For the purpose of furnishing an adequate water supply and sewerage service to the inhabitants thereof, and for other purposes specified in this Act, there is hereby created, under the control, direction, and general supervision of the Secretary of the Interior, a public corporation which shall be known as the Metropolitan Water District.

The District shall comprise all territory within the boundaries of the city of Manila and the nearby municipalities of Montalban, San Mateo, Mariquina, Pasig, Pateros, San Pedro Macati, San Juan del Monte, San Felipe Neri, Caloocan, Malabon, Navotas, Pasay, and Paranaque: *Provided*, That the District Board, in the interest of the public service, may from time to time extend the area of said District by the admission or inclusion of contiguous municipalities.

The domicile and place of business of the District shall be in the city of Manila.

Sec. 2. *Powers and general functions of the District.*— The powers, functions, and activities of the Metropolitan Water District of Manila shall be the following:

(*a*) To have continuous succession under its corporate name until otherwise provided by law;

(*b*) To prescribe its by-laws;

(*c*) To adopt and use a seal and alter it at its pleasure;

(*d*) To sue and be sued in any court;

(*e*) To construct, maintain, and operate mains, pipes, water reservoirs, machinery, and other waterworks for the purpose of supplying water to the inhabitants of the District, both for domestic and other purposes; to purify the source of supply, regulate the control and use, and prevent the waste of water; and to fix and provide for the collections of rents therefor;

(*f*) To construct, maintain, and operate such systems of sanitary sewers as may be necessary for the proper sanitation of the District, and to charge and collect such sums for construction and rates for this service as may be determined by the Board to be equitable and just;

(*g*) To construct all such storm-drains as may be needed in the city of Manila and requested by the city, and to maintain and operate all existing drains, the city of Manila to appropriate sufficient funds for this purpose;

(*h*) To construct, maintain, and operate electric power and light system for the use of the Government, if deemed advantageous to the District, and utilize for this purpose all the water power of the Angat River; to fix such rents and collect such dues as may be deemed just and proper, and to sell the surplus power;

(*i*) To acquire, purchase, hold, transfer, sell, lease, rent, mortgage, encumber, and otherwise dispose of real and personal property, including rights and franchises, within or without the Metropolitan District, as authorized by the purpose for which the district was created and reasonably and necessarily required for the transaction of the lawful business of the same, unless otherwise provided in this Act.

(*j*) To contruct works across, or otherwise, any stream, watercourse, canal, ditch, flume, street, avenue, highway or railway as the location of said works may require, provided such works be constructed in such manner as to afford se-

curity for life and property, and provided, further, that the stream, watercourse, canal, ditch, flume, street, avenue, highway or railway so crossed or intersected be restored to their former state as near as may be, or in a manner not to have impaired unnecessarily their usefulness. Every person or entity whose right of way is crossed or intersected by said works shall not obstruct the forming of such crossings or intersections and shall grant the District the proper authority for the execution of such work. The District is hereby given the right of way to locate, construct, and maintain such works over and through any of the lands which are now or may be the property of the Government of the Philippine Islands or any of its branches and political subdivisions.

(*k*) To exercise the right of eminent domain for the purposes for which the District was created, in the manner provided by law for condemnation proceedings by the insular, provincial, and municipal governments.

(*l*) To enact such regulations as may be necessary for the sanitary protection of the watershed and the reservoirs and water mains, and for the proper operation of the sanitary sewers, subject to the approval of the Philippine Health Service; to enact regulations for the protection of the water and sewer service, and of the light service, as soon as established, and to fix penalties for violations of the regulations enacted under this subsection which shall not in any case exceed two hundred pesos fine or six months imprisonment, or both, in the discretion of the court.

(*m*) When essential to the proper administration of its corporate affairs or necessary for the proper transaction of its business or to carry out the purposes for which it was organized, to contract indebtedness and issue bonds, subject to the approval of the Secretary of Finance. The bonded indebtedness of the District, of all classes, shall not at any time exceed twelve million pesos, in addition to the bonds mentioned in section eight, and the issue thereof shall be subject to the conditions set forth in section five of this Act; and

(*n*) To carry out the business for which it was organized and exercise such powers and do such things as may be reasonably necessary to carry out the purpose for which it was organized.

Sec. 3. *District Board; its members, reports to the Department of the Interior.*—Unless otherwise provided by

law, all corporative powers of the Metropolitan Water District shall be exercised, its business managed, and its property kept and preserved, by a Board to be composed of the Mayor of the City of Manila, the President of the Municipal Board of the City of Manila, the Governor of the Province of Rizal, the Director of Public Works or his representative, the Engineer of the City of Manila, the City Treasurer, and a taxpayer of the district, being a resident of the City of Manila, appointed by the Governor-General, with the consent of the Senate.

The District Board shall render reports to the Secretary of the Interior as provided in sections five hundred and seventy-four to five hundred and seventy-seven, inclusive, of Act Numbered Twenty-seven hundred and eleven. (As amended by Act No. 3109, approved March 19, 1923.)

Sec. 4. *First meeting of the District Board; 'quorum;' votes necessary, in general, for adopting resolutions; appeal; per diem of members; secretary of the board and his salary.*—The President of the District Board shall, immediately after the appointment thereof, fix a time and place for the first meeting, at which the Board shall adopt rules of procedure and fix a time and place for holding regular meetings.

Not less than five members of the Board shall constitute a *quorum* for the transaction of business, and four affirmative votes shall be necessary for the adoption of any resolution or motion, except as herein otherwise provided.

The minority of the Board may appeal to the Secretary of the Interior from the decision or resolution of the majority within two days after a vote and said Secretary of the Interior shall forward such appeal, with his recommendation, to the Governor-General, whose decision shall be final in each case.

The members of the Board shall receive their necessary expenses while attending the meetings of the Board, which shall not exceed the sum of five pesos per day, and shall receive no other compensation as members of the District Board.

The Board shall appoint its Secretary and fix his salary. (As amended by Act. No. 3109, approved March 19, 1923.)

Sec. 5 (title only). *Resolution to incur indebtedness and issue bonds; their conditions, privileges, and exemptions; sinking fund; guaranty.* * * *

Sec. 6. *Conduct of affairs and current business; officers and employees of the District.*—The affairs and current business of the Metropolitan District shall be conducted under the direction of the District Board, by a manager, assistant manager, and such additional officers and employees as the Board may provide.

The duties and powers of said officers and employees shall be such as may be defined and prescribed by the District Board and not be inconsistent with the provisions of this Act.

The Manager and Assistant Manager shall be appointed by the Governor-General, by and with the consent of the Senate, and may be removed for cause by the Governor-General.

Sec. 7 (title only). *Manager and Assistant Manager of the District; their functions; salaries.* * * *

Sec. 8. *Assets and liabilities of the Manila water and sewer system; their transfer to the District; sinking fund and Government guaranty.*—The District Board is hereby authorized and directed to receive and assume on behalf of the Metropolitan Water District all assets and liabilities pertaining to the sewerage and waterworks system of the city of Manila, together with the sewerage and waterworks bonds sinking funds, and of all the indebtedness in general of the present sewer and water system of the City of Manila, and in turn to pledge such assets as security for the payment of the sewerage and waterworks bonded debt thus acquired.

The Government of the Philippine Islands guarantees the payment by the Metropolitan Water District of both principal and interest on said bonds, and the District Board shall create for the same a sinking fund, in the same manner and subject to the same conditions as provided in section five of this Act for the bonds issued by the District Board, and the sums or part of the sums, appropriated by virtue of said section five shall be used for the payment thereof.

Sec. 9. *Possession by the District of all sewer and water systems within its territory; charging and collection of uniform rates.*—The Metropolitan Water District shall own and control all the sewer and water distributing systems of the city of Manila and of the municipalities comprising the District and shall charge and collect a uniform rate for all

services rendered, whether to any person, corporation, firm, governmental body, municipal entity, religious or charitable institution.

Sec. 10. *Powers reserved to the Legislature.*—This Act or any part thereof may be amended or repealed at any date by legislative authority, and the Metropolitan Water District may be reorganized or dissolved by legislative provision.

Sec. 11. *Repeal of inconsistent legislation.*—All Acts or parts of Acts inconsistent with this Act are hereby repealed.

Sec. 12. *Date when effective.*—This Act shall take effect on its approval.

Approved, March 6, 1919.

E.—EXCISE TAX.—CITY'S ALLOTMENT.

No. 3065.—*An Act to establish a percentage tax on the business of the merchants, manufacturers, and commission merchants, and for other purposes.*

Section 1. All merchants, manufacturers, and commission merchants not otherwise specifically exempted according to the provisions of the present Internal Revenue Law shall in addition to similar taxes heretofore imposed pay an additional tax of one-half of one per centum on the gross value in money of the commodities, goods, wares, and merchandise sold, bartered, exchanged, or consigned abroad by them, such tax to be based on the actual selling price or value of the things in question at the time they are disposed of or consigned, whether consisting of raw material or of manufactured or partially manufactured products, and whether of domestic or foreign origin. The tax upon things consigned abroad shall be refunded upon satisfactory proof of the return thereof to the Philippine Islands unsold.

Sec. 2. All administrative, special, general, and penal provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal revenue taxes applicable to business subject to the merchant's sales tax are hereby extended and made applicable to all the provisions of this Act.

Sec. 3. Ten per centum of the tax collected under this Act shall be distributed among the provinces and municipalities in accordance with the provisions of section four hundred and ninety-six of the Administrative Code, five

per centum accruing to the provinces and the other five to the municipalities.

Sec. 4. The tax established by this Act shall be in force and effect and be collected only upon business transacted from the date of the approval of this Act until December thirty-first, nineteen hundred and twenty-four.

Sec. 5. This Act shall take effect on its approval.

Approved March 16, 1923.

Chap. 170.—*An Act to amend the Act entitled "An Act making appropriations to supply urgent deficiencies in the appropriations for the fiscal year ending June 30, 1909," approved February 9, 1909.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act making appropriations to supply urgent deficiencies in the appropriations for the fiscal year ending June 30, 1909," approved February 9, 1909, is amended by adding after the end of the first paragraph under the title "War Department" a new paragraph to read as follows:

That the taxes imposed by the Philippine Legislature in act numbered 3065, approved March 16, 1923, and act numbered 3183, approved November 27, 1924, are hereby legalized and ratified and the collection of all such taxes made under or by authority of said acts of the Philippine Legislature is hereby legalized, ratified, and confirmed as fully to all intents and purposes as if the same had by prior Act of Congress been specifically authorized and directed.

(*Act of Congress, approved February 9, 1925; 43 Stat., 820.*)

F.—DISTRIBUTION OF POWERS OF PHILIPPINE GOVERNMENT.

Sec. 17. *Distribution of powers of government.*—The executive, legislative, and judicial powers of the Philippine Government are distributed, respectively, among the executive, legislative, and judicial branches severally exercising the functions and powers conferred on them by law.

The executive authority is vested in the following agencies: The Governor General of the Philippine Islands, as Chief Executive; the several Departments and Bureaus of the Insular Government, with their lawful instrumentalities; and the provincial and local governments, with their

subordinate functionaries, in the exercise of the administrative powers conferred on them.

The legislative power is vested in the Philippine Legislature, consisting of two Houses, to wit, the Senate and the House of Representatives.

The judicial power is vested in the Supreme Court, Courts of First Instance, courts of justices of the peace, and in such municipal and other inferior courts as may be created by law. (*Administrative Code, Sec. 17*).

III.

ACCOUNTING OFFICERS OF THE TREASURY.

"The auditor shall, except as hereinafter provided, have like authority as that conferred by law upon the several auditors of the United States and the Comptroller of the United States Treasury."

Philippine Organic Act, Sec. 24; 39 Stat. 554.

Sec. 236.—All claims and demands whatever by the United States or against them, and all accounts whatever in which the United States are concerned, either as debtors or as creditors, shall be settled and adjusted in the Department of the Treasury.

(Revised Statutes, Sec. 236.)

Sec. 8. The balances which may from time to time be certified by the Auditors to the Division of Bookkeeping and Warrants, or to the Postmaster-General, upon the settlements of public accounts, shall be final and conclusive upon the Executive Branch of the Government, except that any person whose accounts may have been settled, the head of the Executive Department, or of the board, commission, or establishment not under the jurisdiction of an Executive Department, to which the account pertains, or the Comptroller of the Treasury, may, within a year, obtain a revision of the said account by the Comptroller of the Treasury, whose decision upon such revision shall be final and conclusive upon the Executive Branch of the Government: *Provided,* That the Secretary of the Treasury may, when in his judgment the interests of the Government require it, suspend payment and direct the re-examination of any account.

Upon a certificate by the Comptroller of the Treasury of any differences ascertained by him upon revision the Auditor who shall have audited the account shall state an account of such differences, and certify it to the Division

of Bookkeeping and Warrants, except that balances found and accounts stated as aforesaid by the Auditor for the Post-Office Department for postal revenues and expenditures therefrom shall be certified to the Postmaster-General.

Any person accepting payment under a settlement by an Auditor shall be thereby precluded from obtaining a revision of such settlement as to any items upon which payment is accepted; but nothing in this Act shall prevent an Auditor from suspending items in an account in order to obtain further evidence or explanations necessary to their settlement. When suspended items are finally settled a revision may be had as in the case of the original settlement. Action upon any account or business shall not be delayed awaiting applications for revision: *Provided*, That the Secretary of the Treasury shall make regulations fixing the time which shall expire before a warrant is issued in payment of an account certified as provided in sections seven and eight of this Act.

The Auditors shall, under the direction of the Comptroller of the Treasury, preserve, with their vouchers and certificates, all accounts which have been finally adjusted.

All decisions by Auditors making an original construction or modifying an existing construction of statutes shall be forthwith reported to the Comptroller of the Treasury, and items in any account affected by such decisions shall be suspended and payment thereof withheld until the Comptroller of the Treasury shall approve, disapprove, or modify such decisions and certify his actions to the Auditor. All decisions made by the Comptroller of the Treasury under this Act shall be forthwith transmitted to the Auditor or Auditors whose duties are affected thereby.

Disbursing officers, or the head of any Executive Department, or other establishment not under any of the Executive Departments, may apply for and the Comptroller of the Treasury shall render his decision upon any question involving a payment to be made by them or under them, which decision, when rendered, shall govern the Auditor and the Comptroller of the Treasury in passing upon the account containing said disbursement.

Sections one hundred and ninety-one and two hundred and seventy of the Revised Statutes are repealed.

(Act of July 31, 1894, 28 Stat., 207-208.)

Sec. 11. Every requisition for an advance of money, before being acted on by the Secretary of the Treasury, shall be sent to the proper Auditor for action thereon as required by section twelve of this Act.

All warrants, when authorized by law and signed by the Secretary of the Treasury, shall be countersigned by the Comptroller of the Treasury, and all warrants for the payment of money shall be accompanied either by the Auditor's certificate, mentioned in section seven of this Act, or by the requisition for advance of money, which certificates or requisition shall specify the particular appropriation to which the same should be charged, instead of being specified on the warrant, as now provided by section thirty-six hundred and seventy-five of the Revised Statutes; and shall also go with the warrant to the Treasurer, who shall return the certificate or requisition to the proper Auditor, with the date and the amount of the draft issued indorsed thereon. Requisitions for the payment of money on all audited accounts, or for covering money into the Treasury, shall not hereafter be required. And requisitions for advances of money shall not be countersigned by the Comptroller of the Treasury.

Section two hundred and sixty-nine and so much of section three hundred and five of the Revised Statutes as requires the Register of the Treasury to record warrants is repealed.

(Act of July 31, 1894, 28 Stat. 209.)

Sec. 7. That whenever any Government bureau or department procures, by purchase or manufacture, stores or materials of any kind, or performs any service for another bureau or department, the funds of the bureau or department for which the stores or materials are to be procured or the service performed may be placed subject to the requisitions of the bureau or department making the procurement or performing the service for direct expenditure: *Provided*, That funds so placed with the procuring bureau shall remain available for a period of two years for the purposes for which the allocation was made unless sooner expended.

(Act of May 21, 1920, 41 Stat. 613.)

Sec. 304 (first paragraph). All powers and duties now conferred or imposed by law upon the Comptroller of the

Treasury or the six auditors of the Treasury Department, and the duties of the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury relating to keeping the personal ledger accounts of disbursing and collecting officers, shall, so far as not inconsistent with this Act, be vested in and imposed upon the General Accounting office and be exercised without direction from any other officer. The balances certified by the Comptroller General shall be final and conclusive upon the executive branch of the Government. The revision by the Comptroller General of settlements made by the six auditors shall be discontinued, except as to settlements made before July 1, 1922.

(Budget and Accounting Act of 1921; 42 Stat. 24.)

SEC. 305. Section 236 of the Revised Statutes is amended to read as follows:

"SEC. 236. All claims and demands whatever by the Government of the United States or against it, and all accounts whatever in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the General Accounting Office."

(Budget and Accounting Act of 1921; 42 Stat. 24.)

SALES BY ONE DEPARTMENT, BUREAU, OR OFFICE, TO ANOTHER DEPARTMENT, BUREAU, OR OFFICE.

TREASURY DEPARTMENT,
Office of Comptroller of the Treasury,
Washington, June 11, 1906.

Treasury Department Circular No. 120, dated October 20, 1897, is hereby modified and amended to read as follows:

Hereafter vouchers for services rendered or supplies furnished by one Department, bureau, or office to another Department, bureau, or office must be sent directly to the proper accounting officer of the Treasury Department for settlement when practicable; otherwise the amount should be deposited to the credit of the proper appropriation.

Depositaries will issue certificates for such deposits in duplicate only. Such certificates should be referred to on the vouchers by giving the name of the depositary and number and date of the certificate. The accounting officers of the Treasury Department will allow credit for such deposits upon Treasury covering warrants.

R. J. TRACEWELL,
Comptroller.

Approved:

LESLIE M. SHAW,
Secretary of the Treasury.

(Treas. Cir. No. 48, June 11, 1906; 12 Comp. Dec. 838.)

SALES BY ONE DEPARTMENT, BUREAU, OR OFFICE, TO ANOTHER

TREASURY DEPARTMENT,
Office of Comptroller of the Treasury,
Washington, August 14, 1907.

Hereafter deposits by fiscal officers to cover services rendered or supplies furnished by one department, bureau, or office, to another shall be discontinued, and Treasury Department Circular No. 48, dated June 11, 1906, authorizing such deposits, is amended to read as follows:

"Hereafter, vouchers for services rendered or supplies furnished by one department, bureau, or office, to another department, bureau, or office must be sent directly to the proper accounting officer of the Treasury Department for settlement."

The above change of procedure is made necessary in order to conform the practice in the above cases to the system of bookkeeping installed in the Division of Bookkeeping and Warrants, Treasury Department, on July 1, 1907.

R. J. TRACEWELL,
Comptroller.

Approved:

JAMES B. REYNOLDS,
Acting Secretary of the Treasury.

(Treas. Cir. No. 54, Aug. 14, 1907; 14 Comp. Dec. 966.)